

VZCZCXYZ0000
PP RUEHWEB

DE RUEHLP #0631/01 1191942
ZNR UUUUU ZZH
P 291942Z APR 09
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 0635
INFO RUEHAC/AMEMBASSY ASUNCION 8960
RUEHBO/AMEMBASSY BOGOTA 6342
RUEHBR/AMEMBASSY BRASILIA 0316
RUEHBU/AMEMBASSY BUENOS AIRES 7525
RUEHCV/AMEMBASSY CARACAS 4572
RUEHGE/AMEMBASSY GEORGETOWN 0945
RUEHPE/AMEMBASSY LIMA 4907
RUEHMN/AMEMBASSY MONTEVIDEO 6256
RUEHQT/AMEMBASSY QUITO 7190
RUEHSG/AMEMBASSY SANTIAGO 1954
RUEAIIA/CIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RUMIAAA/USCINCSO MIAMI FL
RUEHUB/USINT HAVANA 1764
RHEHNSC/NSC WASHINGTON DC
RHMFIUU/HQ USSOUTHCOM MIAMI FL

UNCLAS LA PAZ 000631

SENSITIVE
SIPDIS

LIMA: FOR D. SHORTS

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [BL](#)

SUBJECT: BOLIVIA SCENESETTER FOR FORMER PRESIDENT CARTER
VISIT

¶1. Embassy La Paz offers a warm welcome to Former President Carter and accompanying team to Bolivia April 30-May 3. The information in this cable on U.S. government engagement in Bolivia is designed to complement the background paper provided by the Department of State, which summarized political and economic developments. Bolivia is an increasingly polarized country, both geographically and politically. A new constitution supported by President Evo Morales and his Movement Towards Socialism party was voted on and approved by the Bolivian people January 25, 2009. The opposition continues to oppose parts of Morales, agenda and push for increased regional autonomy. The disagreements have caused occasional violent conflicts, leading to deaths on both sides. President Morales and national representatives will face re-election December 6, 2009.

THE BILATERAL RELATIONSHIP

¶2. President Morales, anti-U.S. rhetoric and actions reflect a concerted effort to misconstrue U.S. government objectives and activities in Bolivia. Despite efforts to engage with Morales on areas of mutual interest, he has gradually distanced Bolivia from the United States and dismantled cooperation programs, much to the detriment of our mutual goals to alleviate poverty, combat illegal narcotics, and facilitate social/political inclusiveness for Bolivia's marginalized populations.

¶3. The Embassy always aims to engage the Bolivian government and be responsive to its questions and concerns, particularly concerning our development programs, counternarcotics cooperation, and military-to-military relations. Despite this outreach, the Embassy and the United States government are constantly targeted for a wide range of baseless public accusations by the Bolivian government. Relations have been at a nadir since last summer. Since then the Morales Administration expelled Ambassador Goldberg in mid-September 2008 and the Drug Enforcement Agency November 1, 2008 and expelled USAID from a coca-growing region known as the Chapare in June of 2008.

¶4. After the election of President Obama, Morales made a number of public statements expressing his desire to improve relations with the United States. However, his inflammatory rhetoric against the United States has continued. President Morales continues to mischaracterize U.S. government intentions, making frequent comments about holdover Bush appointees that continue to &plot8 against Morales, government. The bilateral relationship remains strained, although there is a new hope for diplomatic breakthroughs following brief presidential and Secretary of State exchanges with the Bolivians at the Summit of the Americas April 17-19. Secretary of State Clinton and Foreign Minister David Choquehuanca discussed convening a high-level meeting sometime in the next several months to move forward on a bilateral agenda.

USG FINANCIAL SUPPORT

¶5. Since FY05, the United States Government has provided nearly \$700 million dollars to Bolivia in development and counter-narcotics assistance, though assistance has been gradually declining consistent with budget restrictions in Washington. Total assistance in FY07 was approximately \$124 million and in FY08 \$103 million.

¶6. Morales, administration has made several changes to development and cooperation procedures that have made it difficult for USG agencies to cooperate while adhering to their own congressional obligations. Despite our best efforts, including a month long audit by the GOB of our USAID program, the Bolivian government continues to suspect and

accuse our assistance programs of bolstering the opposition and undermining the Morales administration.

DEVELOPMENT PROGRAMS

¶7. The United States Agency for International Development (USAID) provided approximately \$69 million in FY08 to support Bolivia,s National Development Plan. Programs cover child survival and health, alternative development, expansion of financial services to under-served areas, improved agricultural technology and market access, support for small and medium enterprises, sustainable management of tropical forests, biodiversity, food security, decentralization, improved civil society participation in democratic processes, leadership training, and increased justice services for the poor.

PUBLIC DIPLOMACY PROGRAMS

¶8. Our Public Affairs section provided over \$1 million in FY08 programs to support English scholarships, an Embassy intern program targeting indigenous students, Fulbright and International Visitors, and an educational program for Indigenous Youth Leaders to visit the United States.

COUNTER-NARCOTICS COOPERATION

¶9. Bilateral cooperation deteriorated significantly in 2008 with the expulsions of USAID from the Chapare in June, the U.S. Ambassador in September, and the Drug Enforcement Administration (DEA) in November. Despite these setbacks, the U.S. remains committed to working with Government of Bolivia in the fight against drugs. Our counternarcotics program seeks to reduce coca cultivation, to provide logistical support for interdiction activities, fight money laundering, and increase awareness about the effects of drug use in Bolivian society.

¶10. The U.S. government contributed approximately \$56 million toward Bolivia,s counter-narcotics efforts in FY 07, implemented by the Narcotics Affairs Section (NAS) and USAID: eradication \$4.2 million; interdiction \$13.8 million, demand reduction \$172,000; program support \$3.8 million; alternative development \$18.6 million. NAS recently agreed to \$26.3 million in CN assistance for FY 2008.

¶11. The U.S. Military Group also provided \$500,000 for Bolivia's counter-narcotics efforts in FY09. The MILGP trained 62 students in FY08 and still have 42 students programmed for training in FY09.

ANDEAN TRADE PREFERENCES AND DRUG ERADICATION ACT (ATPDEA)

¶12. After several years of being narrowly certified on counternarcotics cooperation and warned about needed areas to improve, Bolivia was decertified in 2008. This decertification led to a suspension of their trade benefits under the Andean Trade Preferences and Drug Eradication Act (ATPDEA) by President Bush. The U.S. Congress voted to keep Bolivia in the program through June 2009, but only if President Obama re-certifies Bolivia on counter-narcotics cooperation by that time.

MILITARY-MILITARY COORDINATION & HUMANITARIAN ASSISTANCE

¶13. The four pillars of the USMILGP Country Security Cooperation Plan (CSCP) are Peacekeeping Operations (PKO), Humanitarian Assistance (HAP), Counter-Narco Terrorism (CNT), and Transformation & Modernization, in that order of priority. The primary objective is to reinforce institutional values and respect for democratic principles

within the Bolivian Military under the four pillars of Peacekeeping Operations (PKO), Humanitarian Assistance (HAP), Counter-Narco Terrorism (CNT), and Transformation & Modernization.

¶14. Due to new Bolivian government restrictions and attacks against the U.S. government, SOUTHCOM directed that only Humanitarian Assistance Projects (HAP) that had been started would be completed and new projects should not be started. Originally MILGP planned to complete 13 humanitarian assistance projects in FY08 valued at a total of \$3M, but instead ultimately only four projects were funded valued at \$1.5M. Humanitarian Assistance has been canceled for FY09 and FY2010. MILGP had historically worked well with the Bolivian government to provide funding for renovating schools, providing disaster relief services, medical assistance, and much more, benefitting the poorest of Bolivians.

PEACE CORPS

¶15. The U.S. Peace Corps program in Bolivia was temporarily suspended in September 2008 after several accusations were made against it by the Morales administration. Top Morales advisor, Minister of the Presidency Juan Quintana, publicly accused the organization of being infiltrated by United States intelligence agents. Following that accusation, the USG determined it could not guarantee the safety of its Peace Corps volunteers and removed all volunteers from the country. The Bolivian government would need to publicly acknowledge that the Peace Corps program is not used for intelligence purposes before volunteers could return to Bolivia.

URS